



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0628	Title:	Revise the replacement schedule for regular license plates
Primary Sponsor:	Brodehl, Randy	Status:	As Amended in House Committee

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
State Special Revenue	(\$2,337,425)	(\$2,337,425)	(\$2,372,486)	(\$2,408,073)
Revenue:				
General Fund	(\$754,008)	(\$754,008)	(\$765,318)	(\$776,798)
State Special Revenue	(\$3,016,032)	(\$3,016,032)	(\$3,061,272)	(\$3,107,192)
Net Impact-General Fund Balance:	<u>(\$754,008)</u>	<u>(\$754,008)</u>	<u>(\$765,318)</u>	<u>(\$776,798)</u>

Description of fiscal impact: HB 628 extends the mandatory requirement for vehicle owners to replace their license plates from every 5 years to every 10 years. The bill reduces expenditures in state special revenue for replacement of license plates every 5 years. The bill also reduces general fund and state special fund revenue collected from vehicle owners that were previously required to replace their license plates every 5 years.

FISCAL ANALYSIS

Assumptions:

Department of Justice

- Under current law, an average of 31,417 license plates per month is required to be purchased by vehicle owners in order to replace their license plates every 5 years. The license plates purchased for new registrations average 27,083 plate sets per month. The relative change to expenditures and revenues presented in this fiscal note are based on the assumption of 58,500 plates being purchased per month (31,417 + 27,083 = 58,500 total plates per month).
- It is assumed that plates are produced by Montana Correctional Enterprises, at a unit cost of \$6.20 per plate set as found in approved internal services rates in HB 2 in compliance with 17-7-123 (1)(f)(II), MCA.
- HB 628 will extend the requirement for mandatory replacement of license plates from every 5 years to every 10 years.

Fiscal Note Request – As Amended in House Committee*(continued)*

4. As amended, HB 628 is effective July 1, 2015. Therefore, license plate sets are estimated to decrease from 58,500 sets per month to 27,083 plate sets per month from FY 2016 through FY 2019.
5. In FY 2018 and FY 2019, revenues and expenditures have been adjusted to include a growth rate of 1.5%.
6. Section 61-3-321 (13)(a), MCA, sets the \$10 fee collected for license plate issuance. Of the fee, \$2 goes directly to the general fund, and the remaining \$8 goes into a state special revenue fund at the Department of Justice.

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	<u>(\$2,337,425)</u>	<u>(\$2,337,425)</u>	<u>(\$2,372,486)</u>	<u>(\$2,408,073)</u>
TOTAL Expenditures	<u>(\$2,337,425)</u>	<u>(\$2,337,425)</u>	<u>(\$2,372,486)</u>	<u>(\$2,408,073)</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	<u>(\$2,337,425)</u>	<u>(\$2,337,425)</u>	<u>(\$2,372,486)</u>	<u>(\$2,408,073)</u>
TOTAL Funding of Exp.	<u>(\$2,337,425)</u>	<u>(\$2,337,425)</u>	<u>(\$2,372,486)</u>	<u>(\$2,408,073)</u>
<u>Revenues:</u>				
General Fund (01)	(\$754,008)	(\$754,008)	(\$765,318)	(\$776,798)
State Special Revenue (02)	<u>(\$3,016,032)</u>	<u>(\$3,016,032)</u>	<u>(\$3,061,272)</u>	<u>(\$3,107,192)</u>
TOTAL Revenues	<u>(\$3,770,040)</u>	<u>(\$3,770,040)</u>	<u>(\$3,826,591)</u>	<u>(\$3,883,989)</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$754,008)	(\$754,008)	(\$765,318)	(\$776,798)
State Special Revenue (02)	(\$678,607)	(\$678,607)	(\$688,786)	(\$699,118)

Fiscal Note Request – As Amended in House Committee

(continued)

Sponsor's Initials

Date

Budget Director's Initials

Date